Item 899 59:10:9657

TREATIES AND OTHER INTERNATIONAL ACTS SERIES 9657

1743
67-145
850
12761-6
GP00/162
input 12/31/80
Rev 1/6 GB
n-mx---
7047755
OK
Gas, Natural
Fx 1 of 2

NATURAL GAS

Agreement Between the
UNITED STATES OF AMERICA
and MEXICO

Joint Announcement dated September 21, 1979

NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89–497, approved July 8, 1966 (80 Stat. 271; 1 U.S.C. 113)—

". . . the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof."

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Subscription Price: $110 per year; $27.50 additional for foreign mailing. Single copies vary in price. This issue $1.

MEXICO

Natural Gas

Agreement effected by joint announcement
Dated September 21, 1979;
Entered into force September 21, 1979.

United States-Mexico Agreement on Natural Gas

Joint Announcement. September 21, 1979

Natural Gas

The Governments of Mexico and the United States of America have reached an understanding on a framework for the sale of 300 million cubic feet per day of natural gas by Petroleos Mexicanos, the Mexican State Oil Company, to U.S. purchasers.

Pursuant to the understanding reached, the Governments of the United States of America and the Mexican States have agreed to authorize and support as a matter of policy commercial transactions which are within the following framework:

—The initial volume of natural gas deliveries will be 300 million cubic feet per day, commencing as soon as contracts are signed, regulatory approvals obtained, and gas is available for delivery.

—The initial price will be $3.625/million btu as of January 1, 1980. This initial price is subject to reconsideration prior to January 1, 1980, if the price for natural gas from comparable sources exceeds that amount prior to said date.

—The arrangement shall continue without limitation subject to the understanding that the gas to be supplied is surplus associated gas in excess of Mexican national demand, that the gas being purchased is to meet U.S. needs not covered from other sources, and that therefore the contractual provisions will provide that either nation, on the basis of its own determination of its national interest, taking into account its domestic supply and demand for natural gas, may cause the termination of the arrangement upon 180 days notice to the other nation.

—The initial price will be adjusted quarterly by the same percentage as the change in world crude oil prices pursuant to a specific formula to be agreed upon by the contracting parties.

The way is now clear for the negotiation of commercial contracts between Petroleos Mexicanos and U.S. purchasers on terms which both governments regard as mutually beneficial. Such contracts will be subject to appropriate governmental approvals in each Country.

The two governments will review from time to time the terms of this arrangement as well as other energy issues of mutual interest.